

# 10 EVALUATION AND AWARDS

## 10.1 Definitions

Bids and proposals are evaluated and awarded in a variety of ways from a simple lowest cost bid to a complicated point system for proposals. Common awards methods are: lowest-priced responsive bid, lowest cost-per-point, highest responsive combined rating of technical merit and price, highest rated responsive bid within budget, or any combination of the above. Each has advantages and disadvantages and are used differently depending upon whether the solicitation is a bid or proposal and the complication of the product or service being purchased. The following are some definitions of commonly used terms in the evaluation and awards process.

**Best Value.** The expression “best value” highlights the importance of technical merit and or performance of a bid to satisfy a particular requirement, relative to the importance of the bid price one is prepared to pay to satisfy this particular requirement. Best Value is an assessment of the return which can be achieved based on the total life cycle cost of the item; can include an assessment of the functionality of the item; can use cost/benefit analysis to define the best combinations of quality, services, time, and cost considerations over the useful life of the acquired item.

**Cost Analysis.** This means the evaluation of cost data for the purpose of arriving at estimates of costs to be incurred, prices to be paid, cost to be reimbursed, or costs actually incurred. May include the principals of life cycle costing which measures not only the initial acquisition cost, but may also include operating and maintenance costs, present value analysis, disposal costs, or salvage value.

**Cost Data.** Cost data means factual information concerning the cost of labor, material, overhead, and other cost elements which are expected to be incurred or which have been actually incurred by the contractor in performing the contract.

**Competitive Negotiation.** A method for acquiring goods, services, and construction for public use in which discussions may be conducted with responsible offerors who submit proposals in the competitive range.

**Evaluation Criteria.** Mandatory and or point-rated criteria used to establish the minimum requirements that a bid must meet to be considered a responsive proposal.

**Life Cycle Costing.** This means the total cost of an item, including initial purchase price, operating supplies, maintenance, repairs, salvage value, and disposal costs.

**Lowest Responsible Bidder.** The responsible bidder whose bid conforms in all material respects to the Invitation to Bid or Request for Proposal and which reflects the lowest acquisition price to be paid by the state; except that when specifications are valued or comparative performance examinations are conducted, the results of such examinations and the relative score of valued specifications will be weighed, as set out in the specifications, in determining the lowest acquisition price.

**Multi-Step Sealed Bidding.** Multi-step sealed bidding is a two-phase process consisting of a technical first phase composed of one or more steps in which bidders submit unpriced technical offers to be evaluated by the purchasing activity, and a second phase in which those bidders whose technical offers are determined to be acceptable during the first phase have their price bids considered.

**Price Analysis.** This means the evaluation of price data without analysis of the separate cost components and profit which may assist in arriving at prices to be paid or costs to be reimbursed.

**Price Data.** This means factual information concerning prices for property or services substantially identical to those being purchased. Prices in this definition refer to offered or proposed selling prices. The definition refers to data relevant to both prime and subcontract prices.

**Weighted Analysis.** This is a method of evaluation that considers other factors in addition to cost in awarding a bid or proposal. The identified factors are weighted according to importance in the overall purchasing decision. They may include usability, flexibility, maintenance, company resources, financial stability, previous experience, references, or approaches to solving problems.

## **10.2 Lowest Responsible, Lowest Cost Bidder Method**

Generally awards are always made to the lowest responsible bidder defined as the responsible bidder whose bid conforms in all material respects to the Invitation To Bid, Request For Quotation, or Request For Proposal and which reflects the lowest acquisition price to be paid by the state.

### **10.2.1 Factors in Determining Responsibility**

- Bidder has financial, material, equipment, facility and personnel resources and expertise, or the ability to obtain them, necessary to indicate capability to meet all contractual requirements;
- A satisfactory record of integrity;
- Qualified legally to contract with the purchasing activity and qualified to do business in the state of Idaho;
- Unreasonably failed to supply any necessary information in

- connection with the inquiry concerning responsibility;
- Experience; or
- A prior performance record, if any.

### **10.3 Point Method of Award**

In cases of weighted analysis, cost is only one factor in the determination of award. Other factors may include minimum mandatory requirements, evaluation of specifications, comparative performance examinations, vendor references, etc. Relative scores are assigned to each factor, including price, to determine the lowest acquisition cost. This method is generally used in Request For Proposals.

#### **10.3.1 Examples of Mandatory Minimum Requirements**

- Financial stability
- Compliance with licensing/certifications requirements
- Security requirements
- Service levels – performance standards
- Experience
- Delivery deadlines

#### **10.3.2 Examples of Point-Rated Criteria**

- Understanding of project scope and objectives
- Proposed risk management approach
- Demonstrated expertise/qualifications
- Experience with similar projects and past performance
- Quality assurance – reporting/documentation
- Warranty/service

### **10.4 Negotiations**

Negotiations are allowed by statute and rule under certain conditions or when specific circumstances exist. In accordance with Section 67-5717(12), Idaho Code, the administrator may negotiate acquisitions in the following cases:

- To establish price agreements
- Sole source purchases
- Emergency purchases
- After an unsuccessful competitive solicitation
- If there has been inadequate competition
- To establish multiple awards

In order to use negotiations the solicitation must:

- Specifically allow for the possibility of negotiations;
- Submissions shall be evaluated and ranked based on the evaluation criteria in the solicitation;
- Only those vendors whose proposals or bids are determined to be acceptable, in accordance with criteria for negotiations set forth in the solicitation, shall be candidates for negotiations;
- Negotiations shall be conducted first with the vendor that is the apparent low responsive and responsible bidder;
- Negotiations shall be against the requirements of and criteria contained in the solicitation and shall not materially alter those criteria, the specifications or scope of work;
- Auction techniques (revealing one vendor's price to another) and disclosure of information derived from competing proposals is prohibited;
- Any clarifications or changes resulting from negotiations shall be documented in writing;
- If the parties to negotiations are unable to agree, the administrator shall formally terminate negotiations and may undertake negotiations with the next ranked vendor; and
- If negotiations as provided for in this rule fail to result in a contract, as determined by the administrator, the solicitation may be cancelled and the administrator may negotiate in the best interest of the state with any qualified vendor.

If conducted, negotiations are the last step in the procurement process. Use of oral interviews or best and final procedures, as provided for in a solicitation, must precede negotiations.

## **10.5 Best and Final Offers – Discussions**

The Best and Final Offer is used in Request for Proposals. After discussions with offerors take place and clarifications regarding the proposal are understood by the offerors, they may be asked to resubmit their proposal in a Best and Final Offer. Best and Final Offers could include revised pricing, terms and conditions, and scope of work. To use the Best and Final Offer in a proposal, the following steps take place:

- Proposal are classified as being acceptable, potentially acceptable, or unacceptable.
- Discussions to clarify requirements or proposals take place only with those offers that are acceptable or potentially acceptable.
- Offerors are invited to submit a Best and Final Offer.

- Additional rounds of discussions and requests for Best and Final Offers may take place as needed.

## 10.6 Tie Bids

Definition: Tie bids are low responsive bids from responsible bidders that are identical in price or score. Tie bids are awarded in the following manner:

- Award to an Idaho resident or an Idaho domiciled bidder or for an Idaho produced product where other tie bid(s) are from out of state or to a bidder submitting a domestic product where other tie bid is for foreign (external to Idaho) manufactured or supplied property;
- Where identical low bids include the cost of delivery, award the contract to the bidder farthest from the point of delivery;
- Award the contract to the bidder who received the previous award and continue to award succeeding contracts to the same bidder so long as all low bids are identical;
- Award to the bidder with the earliest delivery date.
- Drawing lots: award may be made by drawing lots or tossing a coin in the presence of witnesses if there are only two (2) tie bids.

## 10.7 The Idaho Reciprocal Preference Law

Some states provide a preference for vendors within their borders and add a percentage to bids received from outside states. Where that happens, the State of Idaho responds in like manner by adding the same percentage to bids received from vendors who are not “domiciled” in Idaho. This applies to the purchases of materials, supplies, equipment, or services (services added 7-1-98).

### 10.7.1 Idaho Statute 67-2349

**PREFERENCE FOR IDAHO SUPPLIERS FOR PURCHASES.** To the extent permitted by federal laws and regulations, whenever the State of Idaho, or any department, division, bureau or agency thereof, or any city, county, school district, irrigation district, drainage district, sewer district, highway district, good road district, fire district, flood district, or other public body, shall let for bid any contract for purchase of any materials, supplies [and services, added 7-1-98, SLC148] or equipment, the bidder domiciled outside the boundaries of Idaho shall be required, in order to be successful, to submit a bid the same percent less than the lowest bid submitted by a responsible bidder domiciled in Idaho as would be required for such an

Idaho domiciled bidder to succeed over the bidder domiciled outside Idaho on a like contract being let in his domiciliary state. For the purposes of this section, any bidder domiciled outside the boundaries of the state of Idaho may be considered as an Idaho domiciled bidder, provided that there exists for a period of one (1) year preceding the date of the bid a significant Idaho economic presence as defined herein. A significant economic presence shall consist of the following: (a) That the bidder maintain in Idaho fully staffed offices, or fully staffed sales offices or divisions, or fully staffed sales outlets, or manufacturing facilities, or warehouses or other necessary related property; and (b) If a corporation be registered and licensed to do business in the state of Idaho with the office of the secretary of state.

### **10.7.2 How it Affects Purchasing**

The law is applicable to both formal bids (over \$50,000) and informal quotes (\$5,000 to \$50,000). It is not applicable to purchases that are not competitively bid, such as:

- small purchases under \$5,000 that are not competitively bid....however, if small purchases are bid, regardless of the dollar amount, then the reciprocal law takes effect
- sole source purchases
- emergency purchases
- other purchases that are exempt from bidding (Rehabilitation Agencies, Correctional Industries, The Federal Government, Professional and Consultant Services under \$50,000, Statewide and Agency Contracts and Price Agreements, Training Travel, Lodging, Seminars, and Meeting Rooms under \$50,000, and any other purchase that may be exempted from bidding by the Division of Purchasing)

### **10.7.3 How Applied to Bids**

In determining the lowest responsible bidder, a percentage increase should be added to each out-of-state bidder's bid price which is equal to the percent of preference given to local bidders in the bidder's home state. That is, if the low bidder is from a state that grants a 10 percent preference to its own in-state bidders, the Idaho agency must add 10 percent to that bidder's price when evaluating the bid. It is only applied to bid evaluations when comparing bids from Idaho domiciled vendors with bids from out-of-state vendors with a preference in their state. There is no need to apply any percentage when comparing one out-of-state bid with another out-of-state bid. In no instance will the increase (penalty percentage) actually be paid to a vendor whose bid is accepted.

#### **10.7.4 Definition of “Domiciled”**

Domiciled means where a corporation is chartered or incorporated or where a sole proprietor or partnership is located or has its permanent headquarters. Bidders domiciled in states other than Idaho who have a "significant Idaho economic presence" for one year preceding the bid date, may be considered an Idaho domiciled bidder.

#### **10.7.5 Definition of “Significant Idaho Economic Presence**

Significant Idaho Economic Presence is a phrase defined in Idaho Statute 67-2349 that means a vendor is considered “domiciled” if they have maintained a staffed office, sales office, sales outlet, manufacturing facility, or warehouse for at least one (1) year and, if a corporation, be registered and licensed to do business in the state of Idaho with the office of the secretary of state.

#### **10.7.6 List of States and their Preferences**

The appendix of this guide contains a list, with summary, that identifies the preference laws of all states. This information is for your use in making bid awards under Idaho’s Reciprocal Preference Law. Current information is also available on the Division of Purchasing web site and from NIGP.

- Idaho Division of Purchasing (<http://www2.state.id.us/adm/purchasing>) - Click on Agency Information, scroll down to Laws and Rules, and click on the Reciprocal Preference Information link.
- NIGP (<http://www.nigp.org>) - The National Institute of Governmental Purchasing provides preference information. You must be a member of NIGP to access this information.

#### **10.7.7 Canadian Preferences**

The Idaho Reciprocal Preference Law is not limited to the United States. It applies to any bidder who is domiciled outside Idaho. Some of the ten provinces and two territories of Canada have a preference for Canadian suppliers and products. To our knowledge, this is the current information regarding Canadian preferences.

Alberta	AB allows for up to 10% preference for Canadian value-added or may limit bids to Canadian goods or suppliers.
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British Columbia	BC has a program called BC MAX. Basically it allows awards to Canadian suppliers for purchases of goods under \$25,000 and services under \$100,000. Goods over \$25,000 and services over \$100,000 receive a 20% preference.
Manitoba	No preference information available
New Brunswick	NB may elect to give preference to local suppliers when goods purchased are less than \$25,000 and services less than \$50,000. They may also give preference to other Atlantic provinces suppliers or other Canadian suppliers when costs of services are less than \$100,000. Further, they may give up to a 10% preference to Canadian value-added suppliers when goods exceed \$25,000 and services exceeds \$50,000.
New Foundland & Labrador	NF uses a Provincial Content Factor to give preference to local suppliers. It is a combination of the Provincial Overhead Allowance (up to 10% preference based the supplier's presence in the province), the Provincial Labour (dollar value of labour), and the Provincial Material (dollar value of raw material from the province). The Provincial Content factor (preference) is calculated from these three areas and applied to the bid.
Northwest Territories	NT uses a Business Incentive program. It gives a preference to northern business to offset the cost of doing business in NT. For all purchases over \$1,000 and under \$5,000 a 20% discount is applied for bid evaluation purposes. For purchases over \$5,000 a 15% discount is applied for Northern Content and an additional 5% discount for Local content. Also, contracts valued under \$30,000 are bid to only northern firms as long as there are at least two.
Nova Scotia	No preference information available
Ontario	The Canadian Content Statement allows a 10% preference for Canadian content in goods and services.



Prince Edwards Island	No preference information available
Quebec	No preference information available
Saskatchewan	No preference information available
Yukon Territory	YK has no published preference percentage or discount policy but, to stimulate the local economy, YK has a Business Incentive Policy that rebates local suppliers a percentage of labor and product costs. YK also attempts to contract for services and goods in local communities where possible and makes best efforts to hire locally for construction contracts.

If you have any questions about applying the Idaho Reciprocal Preference Law regarding Canadian bidders please call the Division of Purchasing at 327-7465.

## 10.8 Special Printing Preference

There are special requirements for solicitations of printing. *Idaho Code 60-101, 60-103* specifies that printing should be done within the State of Idaho unless the cost is shown to be 10% higher than printing done outside of the State. Quotations or Bids that indicate that all or any portion of a printing job is to be done outside of the State of Idaho, must have an additional 10% added to the price quoted or bid by the vendor. This requirement is for bid evaluation **only**, and is not added to any purchase order or contract. Reference the Chapter on Printing in this guide for more information.

## 10.9 Division of Purchasing Rules Regarding Bid Evaluations and Awards

### IDAPA 38.05.01

#### 081. EVALUATION AND AWARD.

Any contract award shall comply with these provisions.

**01. General.** The contract is to be awarded to the lowest responsible and responsive bidder or offeror. The solicitation shall set forth the requirements and criteria that will be used to make the lowest responsive and responsible determination. No submission shall be evaluated for any requirements or criteria that are not disclosed in the solicitation.

**02. Standards Of Responsibility.** Nothing herein shall prevent the buyer from establishing additional responsibility standards for a particular purchase, provided that these additional standards are set forth in the solicitation.

Factors to be considered in determining whether a vendor is responsible include whether the vendor has:

- a. Available the appropriate financial, material, equipment, facility and personnel resources and expertise, or the ability to obtain them, necessary to indicate capability to meet all contractual requirements;
- b. A satisfactory record of integrity;
- c. Qualified legally to contract with the purchasing activity and qualified to do business in the state of Idaho;
- d. Unreasonably failed to supply any necessary information in connection with the inquiry concerning responsibility;
- e. Experience; or
- f. A prior performance record, if any.

**03. Information Pertaining To Responsibility.** A submitting vendor shall supply information requested by the buyer concerning its responsibility. If such submitting vendor fails to supply the requested information, the buyer shall base the determination of responsibility upon any available information or may find the submitting vendor nonresponsible if such failure is unreasonable.

**04. Written Determination of Nonresponsibility Required.** If a submitting vendor that otherwise would have been awarded a contract is found nonresponsible, a written determination of nonresponsibility setting forth the basis of the finding shall be prepared by the buyer.

**05. Extension Of Time For Acceptance.** After opening, the buyer may request submitting vendors to extend the time during which their bids or proposals may be accepted, provided that, with regard to bids, no other change is permitted. The reasons for requesting such extension shall be documented.

**06. Partial Award.** A buyer shall have the discretion to award on an all or nothing basis or to accept any portion of a bid, excluding others, unless the bidder stipulates all or nothing in its bid.

**07. Only One Submission Received.** If only one (1) responsive submission is received in response to a solicitation, an award may be made to the single submitting vendor. In addition, the buyer may pursue negotiations in accordance with applicable conditions and restrictions of these rules. Otherwise, the solicitation may be rejected and:

- a. New bids or offers may be solicited; or

- b. The proposed acquisition may be canceled.

## **082. TIE BIDS.**

The following provisions shall apply to tie bids as defined herein.

**01. Tie Bids - Definition.** Tie bids are low responsive bids from responsible bidders that are identical in price or score.

**02. Award.** Award shall not be made by drawing lots, except as set forth below, or by dividing business among identical bidders. In the discretion of the buyer, award shall be made in any permissible manner that will discourage tie bids. Procedures that may be used to discourage tie bids include:

- a. If price is considered excessive or for other reason such bids are unsatisfactory, reject all bids, rebid and seek a more favorable contract in the open market;
- b. Award to an Idaho resident or an Idaho domiciled bidder or for an Idaho produced product where other tie bid(s) are from out of state or to a bidder submitting a domestic product where other tie bid is for foreign (external to Idaho) manufactured or supplied property;
- c. Where identical low bids include the cost of delivery, award the contract to the bidder farthest from the point of delivery;
- d. Award the contract to the bidder who received the previous award and continue to award succeeding contracts to the same bidder so long as all low bids are identical;
- e. Award to the bidder with the earliest delivery date.

**03. Drawing Lots.** If no permissible method will be effective in discouraging tie bids and a written determination is made so stating, award may be made by drawing lots or tossing a coin in the presence of witnesses if there are only two (2) tie bids.

## **083. PROPOSAL DISCUSSION WITH INDIVIDUAL OFFERORS.**

**01. Classifying Proposals.** For the purpose of conducting proposal discussions under this rule, proposals shall be initially classified as:

- a. Acceptable;
- b. Potentially acceptable, that is reasonably susceptible of being made acceptable; or

- c. Unacceptable.

**02. “Offerors” Defined.** For the purposes of this rule, the term “offerors” includes only those persons submitting proposals that are acceptable or potentially acceptable. The term shall not include persons that submitted unacceptable proposals.

**03. Purposes Of Discussions.** Discussions are held to facilitate and encourage an adequate number of potential offerors to offer their best proposals, by amending their original offers, if needed.

**04. Conduct Of Discussions.** The solicitation document must provide for the possibility of discussions. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussions and revisions of proposals. The buyer should establish procedures and schedules for conducting discussions. If during discussions there is a need for clarification or change of the request for proposals, it shall be amended to incorporate such clarification or change. Auction techniques (revealing one offeror’s price to another) and disclosure of any information derived from competing proposals are prohibited. Any oral clarification or change of a proposal shall be reduced to writing by the offeror.

**05. Best And Final Offer.** The buyer shall establish a common time and date for submission of best and final offers. Best and final offers shall be submitted only once unless the buyer makes a written determination before each subsequent round of best and final offers demonstrating another round is in the purchasing agency’s interest, and additional discussions will be conducted or the agency’s requirements will be changed. Otherwise, no discussion of, or changes in, the best and final offers shall be allowed prior to award. Offerors shall also be informed that if they do not submit a notice of withdrawal or another best and final offer, their immediate previous offer will be construed as their best and final offer.

#### **084. NEGOTIATIONS.**

In accordance with Section 67-5717(12), Idaho Code, the administrator may negotiate acquisitions as follows:

**01. Price Agreements.** The administrator may authorize and negotiate price agreements with vendors when such agreements are deemed appropriate. Price agreements shall provide for termination for any reason upon not more than thirty (30) days’ written notice. Price agreements may be appropriate when:

- a. The dollar value of items or transactions is relatively small;
- b. The property may not be conducive to standard competitive bidding

procedures, such as automobile, truck or other equipment parts having individual low unit costs;

c. There exists a need to establish multiple agreements with vendors supplying property that is similar in nature or function but is represented by different manufacturers or needed in multiple locations; or

d. Non-exclusive agreements for periods not exceeding two (2) years are deemed necessary to establish consistent general business terms, including without limitation, price, use of catalogs, delivery or credit terms.

**02. After A Competitive Solicitation.** Negotiations may be used under this rule when the administrator determines in writing that negotiations may be in the best interest of the state and that:

a. A competitive solicitation has been unsuccessful because, without limiting other possible reasons, all offers are unreasonable, noncompetitive or all offers exceed available funds and the available time and circumstances do not permit the delay required for resolicitation;

b. There has been inadequate competition; or

c. During the evaluation process it is determined that more than one (1) vendor has submitted an acceptable proposal or bid and negotiations could secure advantageous terms or a reduced cost for the state.

**03. Examples.** Examples of situations in which negotiations, as permitted by Subsection 084.02.c. of this rule, may be appropriate include but are not limited to:

a. Ensuring that the offering vendor has a clear understanding of the scope of work required and the requirements that must be met;

b. Ensuring that the offering vendor will make available the required personnel and facilities to satisfactorily perform the contract; or

c. Agreeing to any clarifications regarding scope of work or other contract terms.

**04. Conditions Of Use.** Negotiations, as permitted by Subsection 084.02.c. of this rule, are subject to the following:

a. The solicitation must specifically allow for the possibility of negotiation and describe, with as much specificity as possible, how negotiations may be conducted;

- b. Submissions shall be evaluated and ranked based on the evaluation criteria in the solicitation;
- c. Only those vendors whose proposals or bids are determined to be acceptable, in accordance with criteria for negotiations set forth in the solicitation, shall be candidates for negotiations;
- d. Negotiations shall be conducted first with the vendor that is the apparent low responsive and responsible bidder;
- e. Negotiations shall be against the requirements of and criteria contained in the solicitation and shall not materially alter those criteria, the specifications or scope of work;
- f. Auction techniques (revealing one vendor's price to another) and disclosure of information derived from competing proposals is prohibited;
- g. Any clarifications or changes resulting from negotiations shall be documented in writing;
- h. If the parties to negotiations are unable to agree, the administrator shall formally terminate negotiations and may undertake negotiations with the next ranked vendor; and
- i. If negotiations as provided for in this rule fail to result in a contract, as determined by the administrator, the solicitation may be cancelled and the administrator may negotiate in the best interest of the state with any qualified vendor.

**05. Timing Of Use.** If conducted, negotiations are the last step in the procurement process. Use of oral interviews or best and final procedures, as provided for in a solicitation, must precede negotiations as provided for in this rule.

## **10.10 Idaho Statutes Pertaining to Printing**

**60-101. CONTRACTS FOR STATE PRINTING -- EXECUTION WITHIN STATE -- EXCEPTION.** All printing, binding (excluding binding for state supported libraries), engraving and stationery work executed for or on behalf of the state, and for which the state contracts, or becomes in any way responsible, shall be executed within the state of Idaho, except as provided in section 60-103, Idaho Code. Provided, however, that this section shall not apply to any compilation, publication or codification of the laws of the state of Idaho.

**60-103. EXCEPTION IN CASE OF EXCESSIVE CHARGE -- EXCEPTIONS FOR LACK OF PRODUCTION FACILITIES ON BIDS ON STATE WORK.** (a)

Whenever it shall be established that any charge for printing, engraving, binding (excluding binding for state supported libraries) or stationery work is in excess of the charge usually made to private individuals for the same kind and quality of work, then the state or county officer or officers having such work in charge shall have power to have such work done outside of said county or state, but nothing in this chapter shall be construed to oblige any of said officers to accept any unsatisfactory work. (b) Any work referred to in section 60-101, Idaho Code, and which is to be executed for or on behalf of the state may be executed outside of this state in any case (1) where the execution of such work shall require the use of a technique or process which cannot be performed through the use of physical production facilities located within this state and the use of such technique or process is essential to a necessary function to be served by the printing, binding, engraving or stationery work required; (2) where, after requests for proposals or bids have been made or notice thereof has been given as required by section 67-5718, Idaho Code, as amended, no bid or proposal is made thereon by any person, firm or corporation proposing to execute such work within this state, or (3) where, after requests for proposals or bids have been made or notice thereof given as required by section 67-5718, Idaho Code, the lowest bid from a person, firm or corporation proposing to execute such work within this state is more than ten percent (10%) more than the lowest bid from a person, firm or corporation proposing to execute such work outside this state.

## **10.11 Idaho Statute Pertaining to Idaho Preference Law**

**67-2349. PREFERENCE FOR IDAHO SUPPLIERS FOR PURCHASES.** To the extent permitted by federal laws and regulations, whenever the state of Idaho, or any department, division, bureau or agency thereof, or any city, county, school district, irrigation district, drainage district, sewer district, highway district, good road district, fire district, flood district, or other public body, shall let for bid any contract for purchase of any materials, supplies or equipment, the bidder domiciled outside the boundaries of Idaho shall be required, in order to be successful, to submit a bid the same percent less than the lowest bid submitted by a responsible bidder domiciled in Idaho as would be required for such an Idaho domiciled bidder to succeed over the bidder domiciled outside Idaho on a like contract being let in his domiciliary state. For the purposes of this section, any bidder domiciled outside the boundaries of the state of Idaho may be considered as an Idaho domiciled bidder, provided that there exists for a period of one (1) year preceding the date of the bid a significant Idaho economic presence as defined herein. A significant economic presence shall consist of the following: (a) That the bidder maintain in Idaho fully staffed offices, or fully staffed sales offices or divisions, or fully staffed sales outlets, or manufacturing facilities, or warehouses or other necessary related property; and (b) If a corporation be registered and licensed to do business in the state of Idaho with the office of the secretary of state.